



A CENTRE OF REGIONAL EXCELLENCE

AGENDA

ORDINARY MEETING OF COUNCIL

TO BE HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

14 APRIL 2014

AT 7.00pm

AGENDA

ACKNOWLEDGEMENT OF COUNTRY

APOLOGIES

PRESENT

CONFIRMATION OF THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 24 MARCH 2014

DECLARATION OF INTEREST

PUBLIC FORUM

PRESENTATIONS - NIL

MAYORAL MINUTES - Creation of a friendship arrangement with Chinese cities

STAFF REPORTS

General Managers Reports
Environment and Development Reports
Operation Reports
Corporate and Community Reports

COUNCIL COMMITTEE MINUTES

Sports Advisory Committee Meeting - 25 March 2014
Crime Prevention Committee Meeting - 24 March 2014
Youth Council Meeting - 25 March 2014
Lithgow Flash Gift Committee Meeting - 24 March 2014

DELEGATES REPORTS - NIL

NOTICES OF MOTION

The Village Voice Community Newspaper - Councillor M Ticehurst
Lithgow City Council Policy 1.4 - Tendering - Councillor M Ticehurst

QUESTIONS WITH NOTICE - NIL

NOTICE OF RECISSIONS - NIL

BUSINESS OF GREAT URGENCY

as identified by Clause 241 of the Local Government (General) Regulations 2005

TABLE OF CONTENTS

<u>ITEM</u>	<u>TITLE</u>	<u>PAGE</u>
	<u>MAYORAL MINUTES</u>	<u>1</u>
<u>ITEM-1</u>	<u>MAYORAL MINUTE - 14/04/14 - CREATION OF A FRIENDSHIP ARRANGEMENT WITH CHINESE CITIES</u>	<u>1</u>
	<u>GENERAL MANAGERS REPORTS</u>	<u>3</u>
<u>ITEM-2</u>	<u>GM - 14/04/14 - APPOINTMENT OF REPLACEMENT COUNCILLORS TO COUNCIL COMMITTEES</u>	<u>3</u>
	<u>ENVIRONMENT AND DEVELOPMENT REPORTS</u>	<u>5</u>
<u>ITEM-3</u>	<u>ENVIRO - 14/04/14- DA26/113 - PROPOSED SINGLE DWELLING, JENOLAN CAVES ROAD HAMPTON NSW 2790</u>	<u>5</u>
<u>ITEM-4</u>	<u>ENVIRO - 14/04/14 - DEVELOPMENT AND CONSTRUCTION APPROVALS - 2009-2013 COMPARATIVE FIGURES</u>	<u>9</u>
<u>ITEM-5</u>	<u>ENVIRO 14/04/14 LOCAL DEVELOPMENT PERFORMANCE MONITORING REPORT</u>	<u>11</u>
	<u>OPERATION REPORTS</u>	<u>13</u>
<u>ITEM-6</u>	<u>OPER - 14/04/14 - REVIEW OF LITHGOW CITY COUNCIL POLICIES</u>	<u>13</u>
<u>ITEM-7</u>	<u>OPER - 14/04/14 - WATER REPORT</u>	<u>15</u>
<u>ITEM-8</u>	<u>OPER - 14/04/14 - CLARENCE COLLIERY WATER TRANSFER SCHEME POWER SUPPLY UPGRADE</u>	<u>18</u>
<u>ITEM-9</u>	<u>OPER - 14/04/14 - 2013/2014 NSW FLOODPLAIN MANAGEMENT PROGRAM</u>	<u>21</u>
<u>ITEM-10</u>	<u>OPER - 14/04/14 - TENDERS FOR AQUATIC CENTRE STAGES 2, 3 AND 4</u>	<u>22</u>
	<u>CORPORATE AND COMMUNITY REPORTS</u>	<u>27</u>
<u>ITEM-11</u>	<u>CORP - 14/04/14 - COUNCIL INVESTMENTS HELD TO 31 MARCH 2014</u>	<u>27</u>
<u>ITEM-12</u>	<u>CORP - 14/4/14 - COMBINED DELIVERY PROGRAM 2013-2017 AND DRAFT OPERATIONAL PLAN 2014-2015</u>	<u>30</u>
	<u>COUNCIL COMMITTEE MINUTES</u>	<u>39</u>
<u>ITEM-13</u>	<u>OPER - 14/04/14 - 25 MARCH 2014 - SPORTS ADVISORY COMMITTEE MEETING MINUTES</u>	<u>39</u>
<u>ITEM-14</u>	<u>CORP - 14/04/14 - CRIME PREVENTION COMMITTEE MINUTES -</u>	<u>41</u>

MAYORAL MINUTES

ITEM-1 MAYORAL MINUTE - 14/04/14 - CREATION OF A FRIENDSHIP ARRANGEMENT WITH CHINESE CITIES

REPORT BY: COUNCILLOR M STATHAM - MAYOR

SUMMARY

This report outlines the discussions had in relation to the creation of a Friendship arrangement with.

COMMENTARY

In recent months I have had several discussions with Mr Michael Guo, CEO The Australia International Trade Association & Associates; Australasia China Sister City Summits & Australia China Business Summit New Zealand International Exchange Center in relation to the creation of a Friendship City relationship with a city or cities in China.

A Friendship City relationship is particularly important avenue in the development of the Lithgow area, due to the excellent opportunities to further the internationalization interest across a range of diverse fields, including of, but not limited to, education, cultural, tourism and business.

In a climate where there is today, increased significance on global outreach, international economic inter-dependence and heightened cultural awareness, it should be the intention of our City, to assess the mechanisms required to support the establishment of Friendship City.

“Friendship” Sister City relationships can often provide the impetus to promote international trade as a key initiative in any Friendship City portfolio and there is a strong correlation between resource inputs and the volume and nature of successful outcomes. Success is viewed to be integrally linked to a City having resources for the development, facilitation, engagement and follow up of the Friendship City relationship and opportunities. With adequate resource support, the benefits flowing back to the participating communities from economic and socio-cultural affiliations can be tailored to strengthen cultural awareness and understanding, promote goodwill, attract investment, promote tourism, share technology, encourage trade and commercial links, and collaborate across the wide spectrum of education opportunities.

In particular, the establishment of a Friendship City in China is one of the best links through which Lithgow can have an excellent opportunity to enhance its economic and commercial interests, the growth of trade, investment and exchange that can add ‘down-stream’ value to the local enterprises, and it will benefit the Lithgow City:

- Establishing business contacts;

- Providing a gateway into Chinese market and products/services;
- Positioning and promoting the image and reputation of Lithgow with commercial, industrial and services sectors in China;
- Facilitating knowledge and technology sharing and joint research;
- Increasing tourism.

The Chinese Friendship City will especially provide benefits to the main industries within the region (agriculture, fishing and food processing) granting to the local enterprises an easy access to the Chinese market. In addition, it is worth noting that pollution, the shortage of arable land, the enormous size of population and the increase of the incomes is today inclining Chinese people to buy more imported food than before.

Council would be aware that it has an existing Sister City relationship with Huainan City in China which was formally developed in 2011.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

As outlined in the report.

ATTACHMENTS

1. Australia International Trade Association & Associates
2. Australia International Trade Association & Associates New Zealand International Exchange Center

RECOMMENDATION

THAT Council review its Sister City and Friendship City relationships.

GENERAL MANAGERS REPORTS

ITEM-2 GM - 14/04/14 - APPOINTMENT OF REPLACEMENT COUNCILLORS TO COUNCIL COMMITTEES

REPORT BY: R BAILEY - GENERAL MANAGER

REFERENCE

Min No 11-150: Ordinary Meeting of Council dated 18 April 2011.

SUMMARY

Councillor Ross Higlett has submitted his resignation from Council Committees. Council is requested to appoint a replacement Councillor to each of these committees.

COMMENTARY

Councillor Ross Higlett has submitted his resignation from two Council Committees. This is because of work related commitments. The Committees are Youth Advisory Committee and the Aquatic Centre Committee.

Councillor Higlett will continue to be a member of the Tourism Advisory Committee and Economic Development Advisory Committee.

Youth Advisory Committee

Currently the other appointed Councillor is Councillor Inzitari.

The principal responsibilities of the Committee are to:

- Advise Council on a strategic direction for youth services in the local government area
- Assist in the development of a positive image of youth in the community
- Be a voice for youth to community leaders
- Raise awareness of youth issues in the community;
- Help the Council address youth issues and work towards a better community for youth by working directly with youth representatives
- Promote youth in a positive way through community and youth events
- Represent youth and promote youth leadership opportunities to schools and service clubs such as Lions Club, Rotary and Quota
- Develop leadership skills among young people in the Lithgow LGA

Aquatic Centre Committee

Currently the other appointed Councillor is Councillor Thompson.

The principal responsibilities of the Committee are to:

- Provide advice to the Council in determining the long term needs for an indoor aquatic centre for Lithgow LGA.
- Provide input that assists with the identification and securement of funding should a proposal be supported
- Provide input into building public interest and input into the development of an indoor aquatic centre
- In conjunction with the Council identify, seek out and advocate at State, Federal Government and Corporate levels for community infrastructure and programs that align with the indoor aquatic centre proposal.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Local Government Act 1993, s355

RECOMMENDATION

THAT Council appoint a replacement Councillor to the following committees:

- Youth Advisory Committee
- Aquatic Centre Committee

ENVIRONMENT AND DEVELOPMENT REPORTS

**ITEM-3 ENVIRO - 14/04/14- DA26/113 - PROPOSED SINGLE DWELLING,
JENOLAN CAVES ROAD HAMPTON NSW 2790**

REPORT BY: A MUIR – GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

SUMMARY

To assess and recommend determination of DA 275/13 Recommendation will be for approval subject to conditions.

COMMENTARY

Council is in receipt of Development Application DA275/13 for the erection of a single storey dwelling to contain two bedrooms on Lot 1 DP 530166, Jenolan Caves Road, Hampton. The property is currently vacant with scattered trees and contains an area of approximately 14 hectares.

The subject lot does not comply with the minimum lot size development standard for erection of a dwelling under Clause 17 - Erection of a dwelling in Zone No 1 (a), of Lithgow City Local Environmental Plan 1994. This Clause requires a minimum Lot size of 40ha, whereas this allotment is only 14ha. The applicant has provided an objection to the minimum area standard under State Environmental Planning Policy No.1 (SEPP 1) – Development Standards.

The application requires the concurrence of the NSW Department of Planning & Infrastructure (DoPI), though it can only be referred to DoPI with the support of Council.

The lot was created from subdivision approval 15/89DA utilising Clause 12(3) (b) of the previous Blaxland Shire Interim Development Order with the following condition of consent:

“6. Subdivision to be carried out in accordance with Clause 12(3) (b) of Interim Development Order No. 1-Shire of Blaxland.”

Clause 12(3)(b) states:

Subject to subclause (5) an allotment of land having an area of not less than 1000 square metres may be created in a subdivision of land within Zone No. 1 (a) or 1(b) where the Council is satisfied that such allotment is required for the erection of a dwelling for actual occupation by-

b) A relative of such owner

A building entitlement exists for a relative of the owner of the original un-subdivided allotment using the existing provisions of Clause 17 (e) of LEP 1994 which states:

17 Erection of a dwelling in Zone No 1 (a)

The Council may consent to the erection of a dwelling on land within Zone No 1 (a) which is:

- (e) an allotment created by a subdivision consented to or approved by the Council prior to the gazettal of this Plan, being an allotment on which a dwelling could have been lawfully erected or consented to immediately before that gazettal, but only if any requirements relating to use or occupation of the dwelling are complied with.*

Therefore, the only alternative for building and occupying a dwelling on the property for someone other than a relative is to submit a Development Application to Council, with a request for variation to development standards under State Environmental Planning Policy No.1 (SEPP 1) known as a SEPP1 Objection.

A SEPP 1 Objection has been submitted by the applicant to vary the minimum allotment size for dwelling purposes within the rural zone as the property contains an area of 14.2 hectares. Council's LEP 1994 states that the minimum allotment size for each lot is 40 hectares.

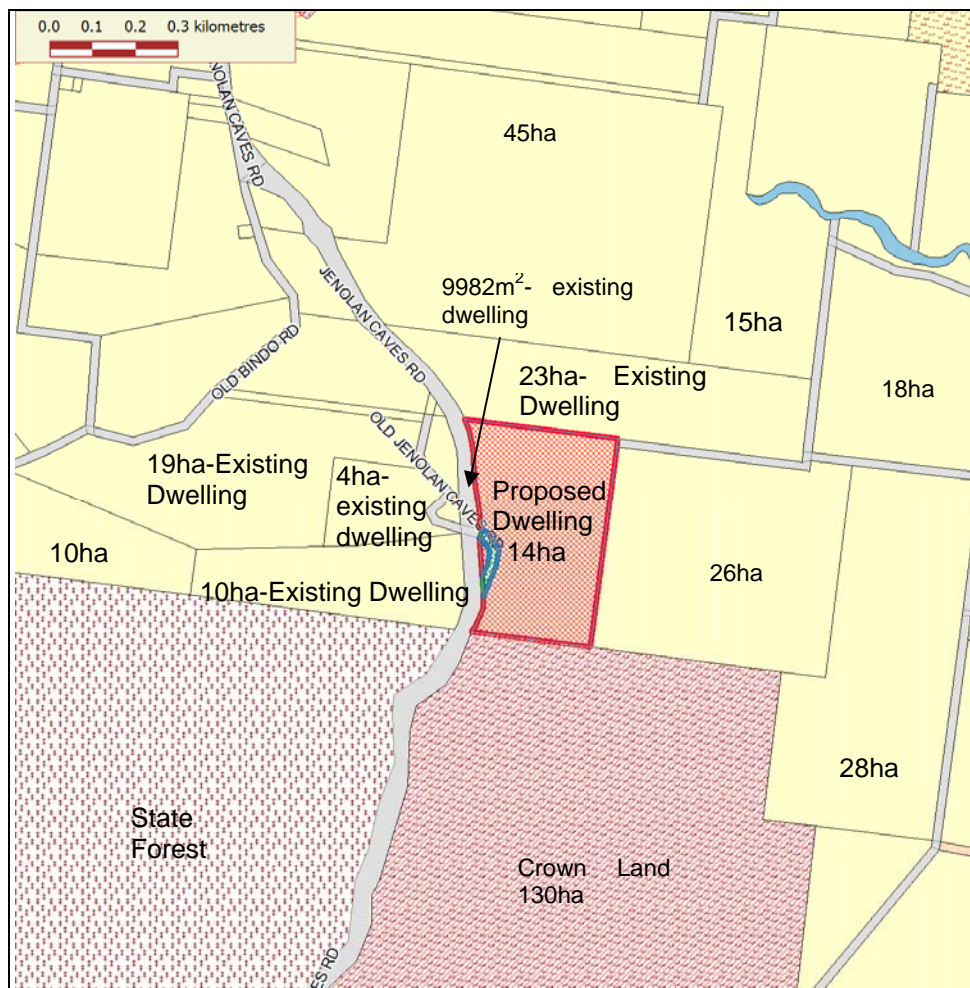
The applicant has justified that the lot is existing and that the application is simply seeking a dwelling entitlement.

The reasoning for the SEPP 1 Objection is to allow dwelling entitlement on a lot created by a previous subdivision approval.

The proposed development:

- Would not create any additional allotments,
- Would not impact on the use of prime agricultural land.

The lot size is similar to surrounding lots in the vicinity as a number of the lots on small portions contain existing dwellings so would not be out of character.



Map 1: Showing the area size of surrounding allotments

The Planning and Infrastructure Varying Development Standards Guidelines August 2011, states:

Concurrence of the Director-General to vary development standards

Councils may assume the Director-General's concurrence under SEPP 1 in relation to these applications but only if:

- (i)
- (ii) *That allotment has an area equal to or greater than 90 percent of the minimum area specified in the development standard.*

Therefore, the development requires referral to the Department of Planning for concurrence once a recommendation is made by Council.

OTHER ISSUES

The majority of the conditions of consent recommended to be imposed relate to the appropriate construction of the development and to the proper control of effluent disposal and access. All conditions are standard conditions.

The prime issue with this application relates to the requirement for an objection under SEPP No.1. Appropriate conditions are otherwise recommended but these require concurrence from the Department of Planning.

CONCLUSIONS

The application has been assessed in accordance with the relevant planning requirements that relate to the land. Accordingly, should concurrence from DoPI be obtained the assessment shows that the development can comply with all requirements, thus having an acceptable impact on the surrounding neighbourhood and community in general.

Therefore, the application can be approved subject to concurrence of the DoPI.

POLICY IMPLICATIONS

Council does not have any specific policies relating to this development.

FINANCIAL IMPLICATIONS

Section 94A Contributions are applicable to this development. The expected value of the proposed works is \$200,000. An appropriate condition will be placed on any consent requiring payment of the relevant contribution.

LEGAL IMPLICATIONS

The application must be assessed in accordance with the heads of consideration of Section 79C of the Environmental Planning & Assessment Act 1979. A full assessment under Section 79C is attached.

ATTACHMENTS

1. Complete 79C Planning Report under separate cover.

RECOMMENDATION

THAT:

1. Development Application 261/13 be supported and referred to Department of Planning Infrastructure for its concurrence.
2. Should concurrence be granted the application be approved, subject to the conditions outlined in the attached 79C report.
3. A **DIVISION** be called in accordance with the requirements of Section 375A(3) of the Local Government Act, 1993.

ITEM-4 ENVIRO - 14/04/14 - DEVELOPMENT AND CONSTRUCTION APPROVALS - 2009-2013 COMPARATIVE FIGURES

REPORT BY: A MUIR - GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

REFERENCE

To provide statistical information on approvals processed.

SUMMARY

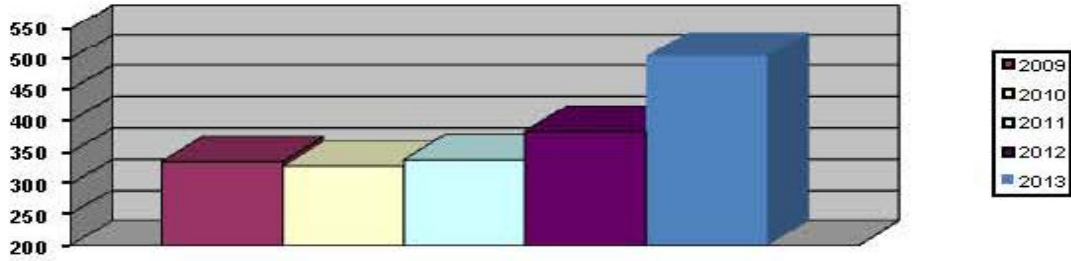
To provide an annual report with comparisons back to 2009 of development and construction approvals.

COMMENTARY

The table below provides a summary of all approvals for each 12 month period from 2009 to 2013. This includes Development Applications, Combined Development Application/Construction Certificates, Construction Certificates and Complying Development Certificates and are for calendar years. There was a 13% rise in the number approvals issued in 2013 compared to 2012 with a rise in mean and median approval days. In 2009 the average approval time for all applications was 16 days. This rose to 20 in 2010; dropped to 17 in 2011; rose again to 21 in 2012; and was 25 in 2013. There has been a substantial increase in the total cost of developments from 2012 to 2013.

DEVELOPMENT APPROVALS 1ST JANUARY TO 31 DECEMBER – 2009 to 2013.

	2009	2010	2011	2012	2013
DA's	63	61	70	201	275
DACC's	221	208	207	-	3
CC's	29	32	41	172	221
CDC's	23	28	21	11	8
No. of Consents Issued	336	329	339	384	507
Avg Approval Days (All Applications)	16	20	17	21	25
Median	14	14	13	20	21
Total Cost of Developments	\$80, 462, 882	\$112, 757, 962	\$63, 449, 725	\$61, 516, 752	\$81, 706, 497



TOTAL APPLICATION APPROVALS FOR 2009 – 2013

The graph above indicates the number of approvals on an annual basis between 2009 and 2013.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT the report on development application and construction certificate approvals be received.

ITEM-5 ENVIRO - 14/04/14 - LOCAL DEVELOPMENT PERFORMANCE MONITORING REPORT

REPORT BY: A MUIR – GROUP MANAGER ENVIRONMENT AND DEVELOPMENT

SUMMARY

To advise Council of the release of the 2012-13 Local Development Performance Monitoring Report by NSW Planning and Infrastructure.

COMMENTARY

NSW Planning and Infrastructure has released the 2012-13 Local Development Performance Monitoring Report. This report provides an outline of the performance of the NSW planning system and information on local and regional development determined by councils, private certifiers and joint regional planning panels.

The report provides information on the assessment of developments. It also provides information on the use of statewide complying development codes for residential, commercial and industrial development, performance of state government referral agencies, and an analysis of the performance of the joint regional planning panels which determine regionally significant development.

The information in this report was compiled by analysing detailed reports from all 152 NSW councils. The data reported by councils was supplemented by information from the State government referral agencies and records from the joint regional planning panels. The following table provides a comparison of a number of councils, the majority like Lithgow being classified as DLG Group 4 councils. This is for development applications approved only in 2012-2013.

Council	DAs Approved	Value \$m	DA Net Determination Time Days
Lithgow	250	41.6	31
Armidale Dumaresq	134	29.5	41
Bathurst	533	101.2	19
Blue Mountains	644	95.7	36
Cooma-Monaro	111	14.5	39
Cowra	91	10.1	31
Goulburn Mulwaree	333	48.0	28
Hawkesbury	594	104.3	55
Mid Western	455	83.0	28
Orange	457	185.3	25
Parkes	104	9.5	32
Queanbeyan	281	142.9	36
Singleton	403	102.8	31
Wingecarribee	673	121.6	34

It is very difficult to make comparisons between areas and a number of factors could contribute to variations between Local Government areas. However, some comparisons can be made in relation to other data reveals the following.

Referral to other Agencies

Bathurst	1%
Mid Western	0%
Orange	3%
Lithgow	15%
Group 4 Average	13%

The obvious issue of difference between Lithgow and other Group 4 councils is the high number of referrals required to other agencies. This requires additional administration and has a negative impact on approval times. A large proportion of the area is located in the Sydney Water Catchment and this requires larger developments and all subdivisions to be referred to the Sydney Catchment Authority. It is only in specific circumstances when the 'clock can be stopped' in these situations. Legislation also necessitates referrals to the Rural Fire Service for developments in locations identified on the bush fire maps, which is extensive. Referrals are also required to the Mine Subsidence Board where a development is to be located within the Lithgow Mine Subsidence District.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT the information on the Local Development Performance Monitoring Report be noted.

OPERATION REPORTS

ITEM-6 OPER - 14/04/14 - REVIEW OF LITHGOW CITY COUNCIL POLICIES

REPORT FROM: I STEWART - GROUP MANAGER OPERATIONS

REFERENCE

Min No 09-189: Ordinary Meeting of Council held on 9 May 2009
Min No 13-398: Ordinary Meeting of Council held on 25 November 2013

SUMMARY

This report provides Council with Policy 12.1 and 12.2 for consideration. Following the outcome of a recent review of Council policies it recommends amendments to the Policy Register.

COMMENTARY

A review of Council policies has been completed by the Executive Management Team and there are a number of suggested changes to the Policy Register for Council's consideration.

It has been determined that a number of policies are no longer relevant or outdated due to the implementation of new processes or changes in legislation and as such are being recommended for deletion. In order to provide a clearer Policy Register it is proposed that all the policies be re-numbered.

At the Ordinary Meeting of Council held on Monday 25 November 2013 it was resolved to review the recommended amendments to Council policies in sections, hence Policy 12.1 and 12.2 is presented to Council for consideration.

Existing Policy No.	Policy Name	Proposed Changes	New Policy No.
12.1	Meter Installation	Formatting	3.1
12.2	Non-compliance with Water	Formatting	3.2

The proposed changes to this Policy is not considered to be major and therefore does not require public exhibition as they will only refine Council's policy position.

POLICY IMPLICATIONS

The proposed changes will refine Council's policy position.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

The policies have been reviewed in terms of legislative requirements and subsequently amendments have been made.

ATTACHMENTS

1. Policy 12.1 - Meter Installation
2. Policy 12.2 - Restrictions

RECOMMENDATION

THAT Council:

1. **ADOPT:**
Policy - Meter Installation
Policy - Restrictions
2. Renumber the policies according to the schedule.

ITEM-7 OPER - 14/04/14 - WATER REPORT

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

REFERENCE

Min No 14-139: Ordinary Meeting of Council held on 24th March 2014

SUMMARY

This report provides an update on various water management issues as per Minute Number 14-139.

COMMENTARY

In relation to current water management issues the following information is provided:

Current Dam Levels for both Farmers Creek and Oberon

Farmers Creek Dam # 2 capacity on Monday, 7th April 2014 was 100% full. Oberon Dam capacity on Monday, 7th April 2014 was 67.7% full.

Current Water Usage from Each Supply

Table 1 below indicates total output from the Oakey Park Water Treatment Plant (consumption), the volume transferred from the Clarence Water Transfer System (CWTS) and the volume of water purchased from Fish River for 2013/2014 and Table 2 below indicates total output from the Oakey Park Water Treatment Plant (consumption), the volume transferred from the Clarence Water Transfer System (CWTS) and the volume of water purchased from Fish River for 2012/2013.

Table 1 - Oakey Park Monthly Output and Clarence Transfer 2013/2014

Month	Oakey Park WTP (ML)	Clarence Transfer (ML)	Fish River Supply (ML)
July 2013	93	0	44
August 2013	96	0	67
September 2013	102	0	73
October 2013	130	0	58
November 2013	106	0	61
December 2013	100	0	47
January 2014	111	0	109
February 2014	93	0	73
March 2014	62	0	68
TOTAL	893	0	600

Table 2 - Oakey Park Monthly Output and Clarence Transfer 2012/2013

Month	Oakey Park WTP (ML)	Clarence Transfer (ML)	Fish River Supply (ML)
July 2012	107	0	53
August 2012	106	0	49
September 2012	115	0	55
October 2012	140	0	65
November 2012	140	5	62
December 2012	135	81	76
January 2013	146	73	68
February 2013	92	0	66
March 2013	114	0	81
April 2013	109	0	106
May 2013	123	0	62
June 2013	154	0	70
TOTAL	1,481	159	813

Oakey Park Water Quality Summary

Oakey Park Water Treatment Plant is currently supplying water to Lithgow. No health-based ADWG values were exceeded for the period 15/3/2014 – 4/4/2014.

Monitoring results for the licence to operate the water treatment plant have been published on the Lithgow City Council website as required by the *Protection of the Environment Operations Act 1997*.

Fish River Water Scheme Water Quality Summary

The FRWS is currently supplying water to Marrangaroo, Wallerawang, Lidsdale, Portland, Cullen Bullen, Glen Davis and Rydal. No health-based ADWG values were exceeded for the period 22/2/2014 – 14/3/2014. Water is also being fed into Shaft Street reservoir from the Fish River source.

Current Water Restrictions Update

Level 1 restrictions are effective from Monday, 17th March 2014.

Water Saving Schemes or Processes Update

Council's Rainwater Tank and Domestic Appliance Rebate Program continued with Council approving 3 applications for household appliance rebates and 1 application for a water tank rebate.

FINANCIAL IMPLICATIONS

NIL

POLICY IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT Council note the water report.

**ITEM-8 OPER - 14/04/14 - CLARENCE COLLIERY WATER TRANSFER
SCHEME POWER SUPPLY UPGRADE**

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

SUMMARY

Tenders were recently called for the Clarence Colliery Water Transfer System (CCWTS) Upgrade. This report provides an outline of project works completed to date, and provides Council optional consideration for the preferred method of Power Supply for the CCWTS, subject to final approval by the Department of Sustainability, Environment, Water, Populations and Communities.

COMMENTARY

The following outlines the 2 main project elements of works of the CCWTS and the current construction status.

- 1) **Part A** – Upgrade of the existing Clarence Water Transfer Pumping Station that supplies water from Clarence balance tank to the farmers creek dam via Councils pump station and extension of existing water main from Clarence Colliery Water Transfer Scheme to Lithgow councils Farmers Creek No 2 Dam.
- 2) **Part B** – Design & Construction of a new transfer pumping Station and rising pressure main through the Clarence Colliery Mine Site to the Clarence water balance tank.

To date work on construction upgrade of Part A – is now complete, whilst Part B - New Pump station and pressure main package is expected to be completed by late April 2014.

Whilst Parts A & B have been independently constructed in 2 step process, further options have been sought for Councils consideration with respect to the most economical and beneficial way to supply a sustainable power source to make the CCWTS fully operational.

Investigations have concluded there are three nominal options for power supply upgrade to the CCWTS as outlined below, please note Operational costs are based on the transfer of 140ML/year.

Option 1. Overhead power supply and connection to the Endeavour Energy electrical network.

Upgrade and connection to Endeavour Energy supply network from Bells Road to Clarence Colliery pump station \$226,490. This option will take 12 weeks once fully design and approved by Endeavour Energy, with projected future annual operational costs estimated between \$20,000 to \$38,000.

This option cannot not be installed by the required grant funding deadline of 30th May 2014.

Option 2. Purchase of a portable mine site approved diesel generator.

Outright purchase of a portable diesel generator mine site certified \$207,900. Subject to tendering period, it is expected that a further 3 weeks for delivery and installation will be required. Annual Operational costs are estimated at \$11,000. This option is considered high financial risk due to the required tendering processes and the required lead time for the unit and may also jeopardise the Commonwealth funding agreement deadline for completion.

Option 3. Connection to Clarence Colliery's Internal Power Supply Network.

Connection to Clarence Colliery internal power supply network has been costed at \$180,000 ex.GST. This option has a lead time of 4 weeks from the time of Council approval. The forecasted Annual Operational costs associated with electricity supply are estimated at \$4,335. This option is considered the lowest risk of the three options, as it has the shortest lead time and lowest on-going financial burden.

It should be noted that the power supply upgrade for the CCWTS is on the critical path of the project and a final conditional grant payment of \$368,000 from the Federal Government is dependent on this project being fully operational by the 30th of May 2014. If the power upgrade is not undertaken within the allocated time frame then funding from the Federal Government will be lost, making the project in-operable.

In accordance with the Local Government Tendering Regulation, Open/Select Tendering would normally be undertaken for projects that exceed \$150,000.

Due to extenuating circumstances with respect to the strict Federal Government Grant Conditions and the Centennial Coal Mine Site ownership, it is imperative that Council engage Clarence Colliery services to undertake the preferred Option 3 recommendations so as not to forfeit the Federal Government funding deadline for completion being 30th May 2014.

Upon completion of all works, the CCWTS will have the ability to increase Council's capacity to deliver up to 14 mega litres per day to the Farmers Creek dam. This represents a 8.5 ML/D (64% increase ability) as opposed to the previous supply capacity of 5.5 ML/D.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

The full capital costs are tied to the Federal Government grant funding for the CCWTS Project, as conditioned the system must be operational by the 30th of May 2014.

LEGAL IMPLICATIONS

NIL

RECOMMENDATION

THAT due to extenuating circumstances with respect to the strict Federal Government Grant Conditions and the Centennial Coal mine site ownership, Council elect to engage the services of Centennial Coal at a cost of \$180,000 to facilitate the necessary power upgrades to the CCWTS.

ITEM-9 OPER - 14/04/14 - 2013/2014 NSW FLOODPLAIN MANAGEMENT PROGRAM

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

SUMMARY

This report provides Council with details on the funding agreement for the financial assistance offered by the Office of Environment and Heritage NSW Government under the 2013/2014 NSW Floodplain Management Program.

COMMENTARY

Confirmation has been received of a grant of \$4,276,670 to be allocated to the Farmers Creek Lithgow Flood Mitigation Scheme Stage 2. The funding ration is 2:1 and the commencement date of the funding agreement is 28/01/2014. As Council may be aware, the Stage 2 of the Farmers Creek Lithgow Flood Mitigation Scheme is the widening of the existing channel from the end of the Stage 1 works at Tony Luchetti Sportsground to the Albert Street Bridge and beyond. This work not only involves widening the canal and constructing new walls and new floor but also the relocation of a number of infrastructure services including sewerage which is now located in the area adjacent to Farmers Creek. It is necessary for the agreement to be signed accepting the attached conditions of funding.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Council is required to contribute a 1/3 share of the total cost of the scheme, being \$2,138,335. Provision has been made in the draft budget for this contribution to be made over the next two financial years.

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Funding Conditions

RECOMMENDATION

THAT Council:

1. ACCEPT the grant of \$4,276,670 towards the cost of the Farmers Creek Lithgow Flood Mitigation Scheme Stage 2.
2. Commit 1/3 contribution equivalent to \$2,138,335 in accordance with funding conditions
3. Authorise the affixing of the Council seal to any necessary documentation in relation to this project.

ITEM-10 OPER - 14/04/14 - TENDERS FOR AQUATIC CENTRE STAGES 2, 3 AND 4

REPORT BY: I STEWART - GROUP MANAGER OPERATIONS

REFERENCE

Min No 14-56: Ordinary Meeting of Council held on 10 February 2014
Min No 14-91: Ordinary Meeting of Council held on 3 March 2014
Min No 13-312: Ordinary Meeting of Council held on 9 September 2013

SUMMARY

This report seeks a determination from Council to award a contract for the Construction of Stages 2/3 and 4 of the Lithgow Aquatic Centre Redevelopment and to review the priorities for the construction of Stages 2/3 and Stage4.

COMMENTARY

Following the completion of stage 1 of the Lithgow Aquatic Centre redevelopment in 2012, Council has engaged Facility Design Group architects to prepare detailed design for the following remaining stages:

- Stages 2/3: the construction of an indoor 25m pool
- Stage 4: the redevelopment of the existing 50m outdoor pool.

Following a lengthy consultation phase, the design was completed and the tender specifications prepared. Tenders were called for both projects in March 2014 via the selective tendering process. The companies invited to submit tenders were Beau Corp Aquatics (Stages 2/3 and 4), Hines Constructions (Stages 2/3 and 4), Icon Building Group (Stages 2/3 and 4), Rapid Construction (Stages 2/3 and 4) and TCQ (Stage 2/3 only).

A compulsory pre-tender site meeting was held on Monday 17th March. Beau Corp Aquatics did not attend the meeting and as a result were disqualified from the tendering process.

Tenders for both projects closed on Monday 31 March 2014. Tenderers were asked to provide a price and schedule for both projects individually, as well as a price for the combination of both stages 2/3 and 4. A summary of the tenders received and prices is as follows:

Company	Stage 2/3 price ex gst	Stage 4 price ex gst	Total	Combined price ex gst	Saving
Hines	\$ 2,637,219	\$1,689,566	\$4,326,785	\$4,281,009	\$45,776
Icon	\$ 3,085,300	\$2,089,000	\$5,174,300	\$5,174,300	\$ -
Rapid	\$ 3,371,034	\$1,926,759	\$5,297,793	\$5,203,543	\$94,250
Tcq	\$2,799,942.73	\$ -	\$2,799,942.73	\$ -	\$ -

Tender Evaluations

A tender evaluation panel consisting of Council officers and Technical consultants was established to review the tenders received.

Each tender was assessed against the selection criteria outlined in the tender documentation, including:

- Demonstrated previous similar work for Local Government in NSW.
- Price and completeness of bid.
- Experience of nominated personnel, particularly site personnel.
- Responses from referees.
- Ability to commence works immediately and work breakdown structure.
- WH&S Compliance.
- Quality Management Systems.
- Financial Capacity.

Each criteria item was weighted, and scored on a scale of 0 to 5.

Stage 2/3

Hines' tender for Stage 2/3 was the cheapest at \$2,637,219 ex GST and received a score of 3.08, however the panel assessed the tender as **non-compliant**, as the proposal quoted a sprayed concrete pool. The tender specifications (Clause 2.6) stated that this type of construction is not permitted. Hines Constructions completed Stage 1 of the Lithgow Aquatic Centre, and recently completed a similar project at Narrabri. The work breakdown structure identified a construction timeline of 132 days (6 months).

TCQ proposed the second lowest price at \$2,799,942.73 ex GST, however there was no work breakdown structure submitted with the tender documentation, which was required in order for the panel to ensure that works could be completed on time. The tender evaluation panel had concerns over TCQ's experience in major aquatic facility construction, and they were given a score of 2.10.

Icon Building Group's submission totalled \$3,085,300 ex GST, and included a realistic and comprehensive work breakdown structure (227 days, 10.5 months). All referee responses for Icon were very positive, and Icon received a score of 4.26.

Rapid Construction received good referee responses, had experience in similar projects, and submitted a comprehensive and achievable work breakdown structure (186 days or 8.5 months). Rapid had the highest price at \$3,371,034 ex GST, and achieved a total score of 4.13 out of 5.

Stage 4

The cheapest tender for Stage 4 was submitted by Hines Construction, for \$1,689,566 ex GST. The tender evaluation panel had concerns over the tenderer's experience in similar pool remediation works. The work breakdown structure identified a construction program of 93 days (4.3 months), which the assessment panel considered unachievable, and raised concerns that the extent of works required may not be fully understood. Hines were allocated a score of 2.96 for Stage 4.

Rapid Construction submitted a tender for \$1,926,759 ex GST, and proposed to complete the works in 149 days (7 months) using a Myrtha pool lining system for the 50m pool. Rapid have completed 50m pool redevelopment works in recent years, and proposed to sub contract works to Swimplex and Hydrocare, two specialist aquatic companies experienced in this type of work. Rapid Construction received a score of 4.25 for Stage 4.

The tender received from Icon Building Group was the most expensive at \$2,089,000 ex GST, however the company have recently completed a very similar 50m outdoor pool redevelopment for Parkes Council. Icon's submission reflected on lessons learnt from this project, and explained how Lithgow's project would benefit from allowances made as a result of lessons learnt. Icon proposed to use a vinyl liner system, as used at Parkes Pool. The work breakdown structure (152 days, 7 months) was comprehensive and displayed evidence of a full understanding of the project requirements. Icon Building Group received a total score of 4.52 for Stage 4.

Combined Stages 2/3/4

Tenderers were also asked to provide a revised cost and schedule for the combination of Stages 2/3 and 4, in order for Council to explore any potential cost or time savings by completing the projects simultaneously. Hines offered cost savings of \$45,776 ex GST, and Rapid \$94,250 ex GST. Icon Building Group did not provide an option of cost savings.

Tender Evaluation Panel Recommendation

Icon Building Group was identified by the assessment panel as the most comprehensive and advantageous tender submission for both projects, scoring 4.26 for Stage 2/3 and 4.52 for Stage 4. A full breakdown of scoring is attached.

Icon Building Group discussed lessons learnt from similar projects, and demonstrated how they had made allowance for issues likely to present during construction, hence minimizing the risk of contractual variations. It is the recommendation of the tender assessment panel that Icon Building Group be awarded the contract for both Stages 2/3 and 4.

Priority of works

There has been considerable debate in regard to the relative priorities of stage 4 and Stages 2/3.

A condition report for the 50m outdoor pool was prepared in November 2013 by Facility Design Group Architects, which identified that a number of assets associated with the 50m pool were rapidly approaching their design life. For example the report indicated that the pool plant and equipment had a remaining service life of only 1-3 years. The pool water turnover is not compliant with the current NSW Health guidelines. Tiling of the pool is dangerous to patrons due to sharp edges. The concrete gutters are showing signs of concrete cancer. The pool and balance tank were found to have degraded substantially and have a maximum service life of 8 years. Other areas, such as the service delivery area, were found to be noncompliant with safety standards. Due to the ongoing deterioration of the 50m Pool it may not be possible to guarantee its availability to the community in the forthcoming seasons.

It is therefore recommended that in order to prevent the outdoor pool from further deterioration, the remediation of the 50m outdoor pool be made a priority of Council, and take precedence over the construction of the 25m indoor pool.

POLICY IMPLICATIONS

Due to the extremely tight timeline for the execution of Stage 4 and the distinct possibility that the 50m pool may not be available for a large part of the next swimming season it may be pertinent to close the pool early next season with a contractor ready to commence as soon as closure is achieved. This would require Council not to accept any tender for Stage 4 at this time

FINANCIAL IMPLICATIONS

Council has been successful in obtaining funding assistance through an interest subsidy scheme, LIRS (Local Infrastructure Renewal Scheme). The assistance is in the form of a 2% interest subsidy on a loan(s) of up to \$5.6M taken out by Council over a ten year period. This has been previously reported to Council.

Cost information (using Icon Construction for Stages 2/3 and 4):

Stages 2/3:

Consultancy	\$211,500 (ex GST)
Construction	\$3,085,300 (ex GST)

Stage 4:

Consultancy	\$128,000 (ex GST)
Construction	\$2,089,000 (ex GST)

Total: \$5,513,800 (ex GST)

With reference to the draft 2014/15 budget there are insufficient funds to allow Stage2/3 to proceed at this time Council should therefore not accept any tender for Stages2/3 at this time.

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Tender Score Card and Review

General Manager's Comment:

Council has been aspiring to and working towards the development of an indoor aquatic centre for some time. Since Council's application under the Local Infrastructure Renewal Scheme (LIRS) there have been a number of changes that have occurred that have affected Council's ability to carry out the project at this time.

The first and most significant change has been the advice that Council has been successful in obtaining funding for flood mitigation works for farmers creek of almost \$4.3M. This funding however requires a Council contribution of \$2.14M and for tenders to be called immediately. In Council's budget funding for this is being allowed for over a

two year period and Council's contribution is proposed to be funding through loan funding over a ten year period. In addition to this the project will also have a significant impact on Council's workload.

Added to this there have been a number of other issues that are affecting council's ability to fund repayments of the loan(s). Here there has been a lower than anticipated increase in the rate pegging limit, interest rates have lowered further and Council's revenue through section 94A has been lower than anticipated.

In addition to this Council now has quite a number of significant projects on foot including the Farmer's Creek Flood Mitigation Program (\$6.4M), the Lithgow Flood Study; finalisation of the South Bowenfels and South Littleton pump station and mains upgrades (\$3.5M); finalisation of the Clarence Transfer (\$4M); Black Bridge replacement (\$3.5M); Portland Sewerage Treatment Plant upgrade (\$15M); plus the normal projects required during the year.

Council has also requested that representations be made in relation to sourcing grant funding for the completion of these works. Time needs to be given to allow for this to occur.

There is no doubt that there is now becoming an urgency to the completion of stage 4 of the Aquatic Centre Project. Stage 4 involves the upgrade of the existing 50 metre pool and association infrastructure. Unfortunately the work required to do this will not be completed until we would normally be well into the season. With this in mind it is now proposed that Council NOT accept tenders for either Stages 2/3 or 4 and call for tenders later in 2014 so as to commence works early in 2015 at or near the completion of the 2014/15 swimming season. This will then provide minimal disruption to the season. The delay will also allow Council a little time to assess its position with other competing project and its financial position.

I would strongly urge Council to take this course of action at this stage. However, should Council wish to proceed with the projects then in order to fund the works some significant changes will need to be made to the programs that Council undertakes.

RECOMMENDATION

THAT Council:

1. **NOT** accept any tenders for the construction of Lithgow Aquatic Centre Stage 2/3 at this time
2. **NOT** accept any tenders for the construction of Lithgow Aquatic Centre Stage 4 at this time
3. Recall tenders later in 2014.

CORPORATE AND COMMUNITY REPORTS

ITEM-11 CORP - 14/04/14 - COUNCIL INVESTMENTS HELD TO 31 MARCH 2014

REPORT FROM: J BROZEK - GROUP MANAGER CORPORATE AND COMMUNITY

REFERENCE

Min No 13-302:	Ordinary meeting of Council held on 19 August 2013
Min No 13-323:	Ordinary meeting of Council held on 9 September 2013
Min No 13-385:	Ordinary meeting of Council held on 28 October 2013
Min No 13-406:	Ordinary meeting of Council held on 25 November 2013
Min No 13-435:	Ordinary meeting of Council held on 16 December 2013
Min No 14-61:	Ordinary meeting of Council held on 10 February 2014
Min No 14-94:	Ordinary meeting of Council held on 3 March 2014
Min No 14-141:	Ordinary meeting of Council held on 24 March 2014

SUMMARY

To advise Council of investments held as at 31 March 2014 in the 2013/14 financial year.

COMMENTARY

Council's total investment portfolio, as at 31 March 2014 when compared to 28 February 2014, has reduced by \$109,829.30 from \$20,303,587.83 to \$20,193,758.53.

The CBA Call account holding was \$1,557,266.31 at month end compared to \$2,955,242.09 at the beginning of the month. This reflected the utilisation of these funds to pay Council creditors and take up further term deposit investments.

INVESTMENT REGISTER 2013/14								
INSTITUTION	INV TYPE	DATE LODGED	DATE DUE	DAYS	INT	VALUE 28.02.14	VALUE 31.03.14	% OF TOTAL
ANZ	TD	09.12.13	10.03.14	91	3.31	890,488.81	0.00	0.00%
	TD	09.12.13	10.03.14	91	3.31	530,516.95	0.00	0.00%
	TD	06.01.14	07.04.14	91	3.31	532,361.05	532,361.05	2.64%
CBA	On Call				2.45	2,955,242.09	1,557,266.31	7.71%
	TD	24.02.14	26.05.14	91	3.31	1,033,249.83	1,033,249.83	5.12%
	TD	20.02.14	24.03.14	32	3.31	1,000,000.00	0.00	0.00%
IMBS	TD	06.01.14	07.04.14	91	3.50	1,556,095.14	1,556,095.14	7.71%
	TD	25.02.14	30.04.14	64	3.40	519,124.04	519,124.04	2.57%
	TD	18.03.14	19.05.14	62	3.40	0.00	1,000,000.00	4.95%
	TD	24.03.14	23.06.14	91	3.50	0.00	1,000,000.00	4.95%
NAB	TD	26.02.14	27.05.14	90	3.67	1,000,000.00	1,000,000.00	4.95%
	TD	22.10.13	22.04.14	182	3.80	1,088,763.39	1,088,763.39	5.39%
	TD	08.03.14	09.06.14	91	3.66	534,384.67	539,260.02	2.67%
	TD	01.03.14	30.04.14	60	3.33	1,514,054.80	1,500,000.00	7.43%
	TD	13.03.14	11.07.14	120	3.68	0.00	1,500,000.00	7.43%

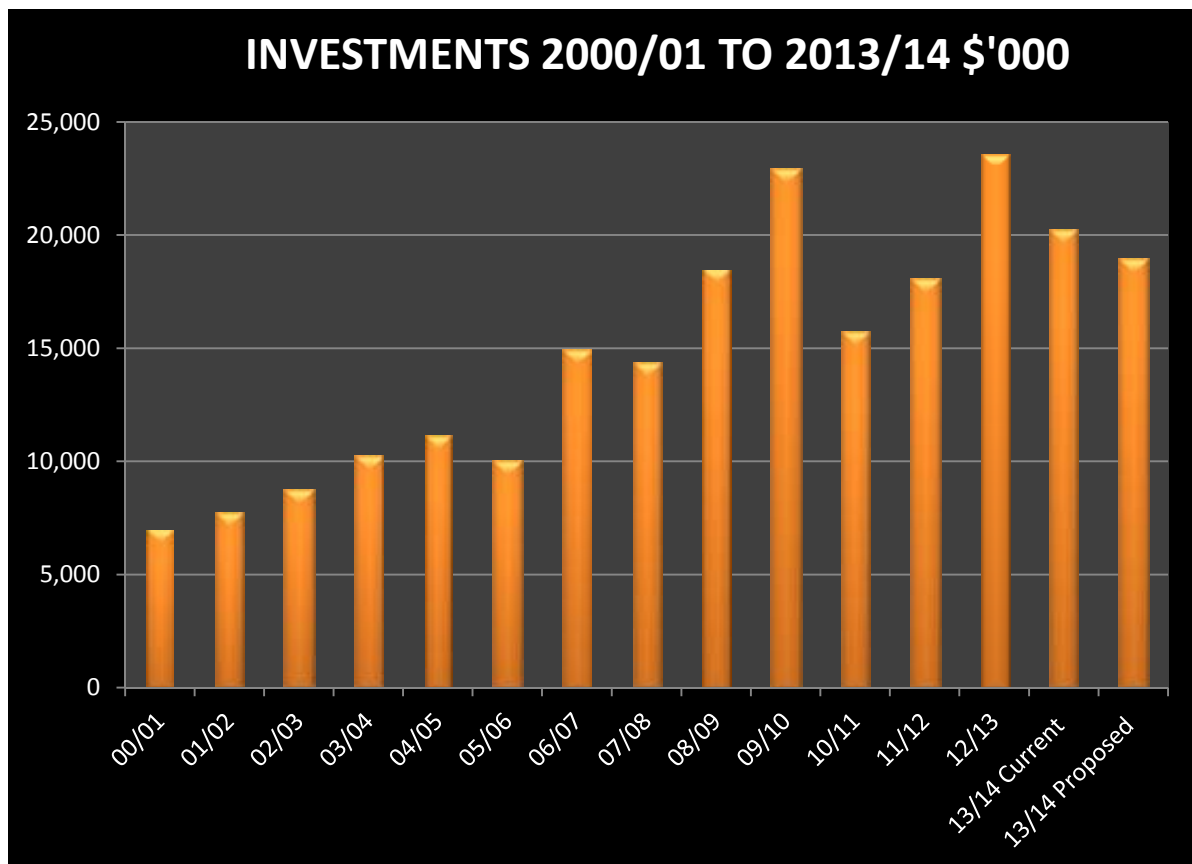
	TD	18.03.14	16.06.14	90	3.66	0.00	1,000,000.00	4.95%
WESTPAC	TD	01.10.13	02.04.14	183	3.54	1,252,472.47	1,252,472.47	6.20%
	TD	07.03.14	07.07.14	122	3.56	0.00	1,000,000.00	4.95%
	TD	04.10.13	10.04.14	188	3.57	524,061.21	524,061.21	2.60%
	TD	12.03.14	08.09.14	180	3.60	0.00	500,000.00	2.48%
ST GEORGE	TD	19.10.13	19.04.14	182	3.40	918,158.59	918,158.59	4.55%
	TD	13.01.14	14.04.14	91	3.34	550,978.02	550,978.02	2.73%
	TD	10.02.14	12.05.14	91	3.34	550,613.40	550,613.40	2.73%
	TD	24.02.14	26.05.14	91	3.32	548,094.25	548,094.25	2.70%
	TD	08.01.14	08.04.14	90	3.27	523,260.81	523,260.81	2.59%
	TD	12.12.13	12.03.14	90	3.28	508,802.25	0.00	0.00%
	TD	09.12.13	11.03.14	92	3.27	514,091.55	0.00	0.00%
SUNCORP	TD	04.12.13	04.03.14	90	3.62	1,258,774.51	0.00	0.00%
			TOTAL			20,303,587.83	20,193,758.53	100.00%
INTERNAL LN (Commercial Loan Int Rate)	Gen to Sew	15.01.11	On Receipt of Ext Loan		7.41	2,750,000.00	2,750,000.00	

I, Juli-Ann Brozek, Lithgow City Council's Manager Corporate & Community certify as required under Local Government (General) Regulations 2005, that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Lithgow City Council's Investment Policy.

The movement in Investments for the month of March 2014 were as follows:

Opening Balance as at 28 February 2014	\$20,303,587.83
Plus New Investments – March 2014	\$6,004,875.35
Less Investments redeemed – March 2014	\$6,114,704.65
Closing Balance as at 31 March 2014	\$20,193,758.53

On the graph below historical and current investments to 31 March 2014 are shown.



A large proportion of Council's investments are held as restricted assets for specific purposes. Restricted assets may consist of externally restricted assets which must be

spent for the purpose for which they have been received e.g. Water, Wastewater, Stormwater, Domestic Waste, Parking, or internally restricted assets which have been set aside by Council resolution. Some internal restrictions are held to fund specific liabilities such as employee leave entitlements and bonds and deposits.

POLICY IMPLICATIONS

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing funds. On 13 February 2012 Council adopted a draft of the Investment Policy as Policy 8.2 which includes the Minsters Investment Order of 12 January 2011.

FINANCIAL IMPLICATIONS

Interest received to 31 March 2014 is \$446,533.99 and is paid on the maturity date of the investment. The budget for interest income is determined by the average level of funds held and the rate of return. Adjustments to the budget estimate are processed through Council's Quarterly Budget Review process. Interest Returns are determined by average funds invested and the rate of interest return. Council held significant funds at the 30 June, 2013 in the form of carry over works in progress and unexpended grant funds, as these works have been progressed in 2013/14, the level of investments have reduced to fund this expenditure.

LEGAL IMPLICATIONS

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing the funds. On 13 February 2012 Council adopted a draft of the Investment Policy as Policy 8.2 and investments will comply with this Policy which includes the following:

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order dated 12 January 2011
- Local Government (General) Regulation 2005
- Trustee Amendment (Discretionary Investments) Act 1997 Section 14A (2), 14c(1) & (2)

RECOMMENDATION

THAT Investments of \$20,193,758.53 for the period ending 31 March be noted.

ITEM-12 CORP - 14/4/14 - COMBINED DELIVERY PROGRAM 2013-2017 AND DRAFT OPERATIONAL PLAN 2014-2015

REPORT BY: D MCGRATH - CORPORATE STRATEGY AND COMMUNICATIONS OFFICER & P MCFARLANE – A/FINANCE MANAGER

REFERENCE

Min No 13-156: Ordinary Meeting of Council held on 6 May 2013

SUMMARY

The Council's Combined Delivery Program 2013/14-2016/17 and Draft Operational Plan 2014/15 and Draft Fees and Charges 2014/15 have been prepared and are provided for the consideration of Council to place on public exhibition.

The Delivery Program 2013/14 – 2016/17 was adopted at the Ordinary Meeting of Council held on 6 May 2013 by Council for its four-year term of office.

The Draft Operational Plan 2014/15 details the operational (recurrent or annual) activities, capital works and new initiatives to be undertaken in the 2014/15 financial year. The Operational Plan implements the Delivery Program 2013-2017 and is provided to Council for adoption.

COMMENTARY

Background

In October 2009, NSW Parliament passed the Local Government Amendment (Planning and Reporting) Bill 2009 requiring all NSW local Councils to develop a 4 year Delivery Program and Annual Operational Plan as part of an overall Integrated Planning and Reporting Framework.

Lithgow City Council plays an important role in the community by undertaking a wide range of activities and works on behalf of residents and visitors. To inform the community of these planned activities and works, the Council prepares a combined four year Delivery Program and annual Operational Plan. The Plan provides details of how Council will fund proposed activities and how Council will measure its performance.

Following a series of internal workshops with Councillors, the draft Operational Plan 2014/15 has been prepared and details Council's activities and Revenue Policy for 2014/15. It incorporates the strategies of the Community Strategic Plan 2026 for the four year period identifying those activities which are operational (recurrent or annual) activities or capital works and new initiatives to be undertaken.

An overview of some of the key features contained in the Council's combined Delivery Program 2014/15-2016/17 and Draft Operational Plan 2014/15 is provided below. The aim of the Plan is to provide a solid financial framework to ensure infrastructure and

Council services can be provided to meet the requirements of residents and ratepayers as far as is practicably possible.

The 2014/15 Draft Operational Plan has been prepared predicting an increase of 3% in wages and material costs.

General Rates

In 2010, changes were made to the Local Government Act 1993 to delegate the task of setting the annual rate peg away from the Minister of Local Government and passed it on to the Independent Pricing and Regulatory Authority (IPART).

In December 2013, IPART announced that the 2014/15 Rate Peg Determination would be 2.30%. The rate pegging limit has been reflected in the Draft Operational Plan 2014/15 and will provide an additional income of \$263,041 on the General Rate income to be received in 2014/15.

Following a general revaluation of the Lithgow Local Government Area by the Valuer General of New South Wales, the new valuations as at 1 July 2013 will be applied for the pending 2014/15 annual rate levy.

As per the valuations provided to Council by the Valuer General's Office, the 2013 revaluation resulted in a land valuation change of -2.44% from the base year 2010. The Residential Zone A category resulted in a total valuation movement increase of 0.5%.

Fees and Charges

The Council has reviewed its fees and charges to ensure that they contribute to a balanced budget. Some fees and charges are set by legislation which may result in some increases not being in line with the general Council index. Council controlled fees and charges were generally increased by 3.5%.

Interest Income

The interest income earned on Council's investments is impacted by the average level of funds invested and the interest rates available. Whilst it is extremely difficult to forecast future interest rates, the budget includes a slight reduction in rates from the current 3.41% to 3.25%. Expected changes in Financial Institution regulations scheduled to come into effect early in 2015 will require banks to hold more capital to support their loan portfolios. This is anticipated to reduce interest rates offered in short term deposits (up to 180 days) to Council which will affect the level of interest income expected to be earned by Council.

Parking Rates

The Special Parking Rate will be levied on 153 CBD business properties within the designated area of Lithgow. This rate is to fund the maintenance of parking facilities within the designated area. Council will apply the ad valorem rate for 2014/15, 0.9193 which will be applied to the valuations of applicable properties. This will generate income of \$237,831.24 (GST exclusive).

Special Rate Variation – Infrastructure Levy

Council resolved in 2009 to apply to the Minister for Local Government for a special rate variation for infrastructure improvements in the local government area. The variation

was approved for a 10 year period. Funds raised by this special rate are being used to improve many of the local roads and community buildings.

Council continues to apply for grants to both the State and Federal Governments and for corporate sponsorship in addition to the special rate to progress improvements as quickly as possible.

The works funded by the Special Rate Variation in the following table are included in the combined Delivery Program 2013/14 – 2016/17 and Draft Operational Plan 2014/15:

Proposed Infrastructure Levy: Special Rate Variation s508 (2) of the Local Government Act 1993			
	2014/15	2015/16	2016/17
Roads			
Browns Gap Road	105,000	110,000	115,000
Hampton Road	103,000	110,000	115,000
Reseals - 10mm	120,000	120,249	122,366
Lithgow/ Portland Lanes	90,101	90,000	90,000
Total Road Improvements	418,101	430,249	442,366
Buildings			
Golf Club	15,000		
Lake Wallace Toilets: Refit Interior & Security	37,000		
General Asset Building Maintenance	51,500	107,000	111,000
Total Building Improvements	103,500	107,000	111,000
TOTAL EXPENDITURE SPECIAL RATE	521,601	537,249	553,366

Section 94A Levy Contributions

Council has undertaken a review of its Development Contributions Framework and has proceeded with the introduction of a Section 94A Levy Plan that will apply across the LGA.

Note: The table below identifies the Section 94A Levy Contribution portion only for each project.

Proposed 3 Year Works Program – Section 94A Levy Contributions			
	2014/15	2015/16	2016/17
Roads			
Rural Roads Rehabilitation	100,000	100,000	100,000
Town & Village Drainage	50,000	50,000	50,000
Buildings			
Aquatic Centre Stage 4	100,000	100,000	100,000
CCTV	10,000	10,000	10,000
Total Expenditure Section 94A	260,000	260,000	260,000

Waste Charges

Due to the further development of the waste disposal facility at Blackman's Flat, upgrading of the Lithgow Solid Waste Facility and the closure and rehabilitation of rural landfills during 2014/15 it is recommended that the residential and business garbage charge be increased by \$13.55 per property from \$387.00 to \$400.55.

Waste Charges		
Type of Service	Charge (\$) (GST ex)	Estimated Yield (\$) (GST ex)
Residential	400.55	3,307,741
Business	400.55	251,943
Non Rateable	400.55	50,869
Unoccupied Urban	148.55	84,819
Rural	95.77	223,150
Total Estimated Yield		3,918,522

Stormwater Charges

It is proposed that the following stormwater charges will be levied on all residential and business properties within identified urban areas (except those which are vacant land) and remain unchanged from the 2013/14 stormwater charges. The levy is used to partly fund the maintenance and improvements to urban drainage as well as the flood mitigation works at Farmers Creek, Lithgow.

Stormwater Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	25.00	152,900
Strata Unit (Residential)	12.50	1,263
Business	25.00 per 350sq metres (\$1,500 Cap)	88,050
Total Estimated Yield		242,213

Grant Funding and Corporate Sponsorship

The Council is continuing to apply for funding from the State and Federal Government and other sources. Council is planning for a significant upgrade of the Portland Sewerage Treatment Plant and will receive a total of \$10 million in grant funding in 2015/16 from the Resources from Regions program.

Council has secured \$4.2 million of funding from the NSW Office of Environment and Heritage for flood mitigation works to be undertaken on Farmers Creek from Tony Luchetti Sportsground to Glanmire Oval. Council is required to contribute an additional \$2.1 million in funding for Flood Mitigation Works.

Best Practice Water and Sewer Pricing

In 2010/11 Council was required as part of the funding conditions from the NSW State Government for the upgrade of the Lithgow Sewerage Treatment Plant to introduce major changes to its Water and Sewer Pricing which would see best practice in line with industry standards.

The 2014/15 water pricing structure ensures the Lithgow local government area maintains water charges in compliance with the NSW Best Practice Guidelines of 75% of residential income from usage and 25% of revenue from access charges.

Council has reviewed in detail the water consumption pattern of the last 15 years and has resolved to continue using the two tier structure that is currently in place.

Sewerage Charges

Over recent years Council has spent approximately \$30 million in the upgrade of the Lithgow and Wallerawang Sewerage Treatment Plants. Plans are also being made to upgrade the Portland Sewage Treatment Plant.

In 2014/15 the following residential or business sewage access charges will be levied on all rateable and non rateable properties which are connected to or within 75 metres of Council's reticulated sewerage system:

The sewerage access charge has been held at the 2013/14 level to offset the water access increase.

The following sewerage usage charges will be levied to all properties using Council's reticulated sewerage system:

Sewerage Charges		
Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Residential	836	5,964,024
Less write-off pension rebate		-160,000
Business (main size):		
200mm	1,085	651
100mm	1,085	22,210
50mm	954	55,761
20mm	720	256,032
Total Estimated Yield		6,138,678
Sewerage Business Usage Charges		
Type	Charge (\$)	
Business (most commonly 95% of water usage)	1.55	

Water Charges

The residential or business water availability charge will be levied on all rateable and non rateable properties which are connected to or within 225 metres of Council's reticulated water supply system. Water usage charges will be levied to all properties using Council's reticulated water supply system.

The average residential water consumption for 2012/13 was 168kl with 82% of residential properties consuming less than 250kl in the year.

Water Charges		
Water Availability Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	150	1,155,900
Less write-off pension rebate		-172,988
Business (main size):		
200mm	970	970
100mm	970	26,195
50mm	854	64,877
20mm	645	268,195
Total Estimated Yield		1,343,149
Water Usage Charges		
Kilolitres Used	Charge (\$)	
0 – 250 Residential	2.96 / kl	
250+ Residential	4.45 / kl	
All business – Flat rate	2.96 / kl	

Residential Water and Sewer Access Charges			
Charge	2013/14	2014/15	Increase
Water Access	\$135.00	\$150.00	11.11%
Sewerage Access	\$836.00	\$836.00	0.00%
Total Combined Access Charges	\$971.00	\$986.00	1.54%

Interest charges on outstanding property balances

Interest to be charged on rate and charges arrears has been determined by the Division of Local Government which is to be 8.5% in 2014/15. This is a reduction of 0.5% from the 2013/14 rate of 9.0%.

Capital projects and discretionary expenditure

To highlight major capital projects and discretionary expenditure in the combined Delivery Program and Draft Operations Plan they may be summarised as:

Capital Projects & Discretionary Expenditure: Summary of Major Projects			
	Expenditure	Income	2014/15
General Fund			
Executive			
LG Election (Future years to Reserve)	35,000		35,000
Operations			
Bridge Improvements	104,300		104,300
Kerb & Gutter Construction	87,283		87,283
Footpath Construction	95,760		95,760
Rural Roads Improvements: Gravel Re-sheeting	201,366	150,000	51,366
Roads to Recovery Program	560,000	560,000	0
Infrastructure Levy Program (2009/10 DLG Application 5% Special Rate Variation)			
Infrastructure Levy Program (5% Special Rate: Income in Operating)			

Browns Gap Road	105,000		105,000
Hampton Road	103,000		103,000
Reseals – 10mm	120,000		120,000
Lithgow/Portland Lanes	90,101		90,101
Golf Club	15,000		15,000
Lake Wallace Toilets: Refit Interior & Security	37,000		37,000
General Asset Building Maintenance	51,500		51,500
Sec 94/94A Plan			
Rural Roads Rehab	100,000		100,000
Drainage Construction	50,000		50,000
Aquatic Centre Stage 4 – Loan Servicing	100,000		100,000
CCTV	10,000		10,000
Operations Miscellaneous			
CBD Enhancement	400,000		400,000
Guardrail Installations	30,900		30,900
Line Marking	30,000		30,000
Tree Removal Contract	20,000		20,000
Bus Shelters	11,330		11,330
Floodplain Management			
Flood Mitigation	3,207,503	3,138,335	69,168
Recreation			
Streetscape Improvements	25,754		25,754
Tony Luchetti Improvements	75,750		75,750
Lake Lyell Improvements	72,900		72,900
Aquatic Centre – Stage 4	2,000,000	2,000,000	0
Watercourse Maintenance / Farmers Creek Vegetation	20,600		20,600
Cemetery Improvements	49,664		49,664
Plant			
Light / Heavy Vehicles – Including to Reserve	1,337,000	337,000	1,000,000
Buildings			
Capertee Toilet	100,000	100,000	0
Lake Lyell Amenities	14,500		14,500
Rydal Toilet Block – Land Purchase	40,000		40,000
Other	870,200	150,000	720,200
Planning			
Rural Lands Study	80,000		80,000
Marrangaroo DCP Masterplan	150,000		150,000
Corporate			
Lithglo	25,750		25,750
Xmas: Main St Decorations Duplicated above	14,300		14,300
Economic Promotions	40,000		40,000
Main St Façade Program	20,000		20,000
CBD Business Attraction Program	150,000		150,000
Information Technology			
IT Reserve as programmed	206,900	41,900	165,000
Library			
Resources	118,775	22,000	96,775
E-Book Service	10,000		10,000
Community & Culture			
Youth Day Activities	3,000	1,500	1,500
Blast Furnace Park & Inch Street Bridge	322,000	172,000	150,000
Youth Program	5,000		5,000

Borrowings

The 2014/15 budget Council projects borrowings of \$3,000,000 for the General Fund to carryout the following works:

Aquatic Centre Stage 4	\$2,000,000
Flood Mitigation	\$1,000,000

Community Engagement

The Draft Delivery Program 2013-2017 and Draft Operational Plan 2014-2015 is provided for Council's consideration to place on public exhibition for a minimum period of 28 days. Closing date for public submissions will be Friday 23 May 2014. This will allow the document to be put to the Council on 2 June for adoption.

Should the Council endorse the Combined Delivery Program 2013/14 – 2016/17 and Draft Operational Plan 2014/15, community briefing sessions will be held on the following days and times:

- Wednesday 30 April, 6.30 - 7.30pm - Rydal Mount Guest House
- Thursday 1 May, 6.30 – 7.30pm – Old Hartley School
- Wednesday 7 May, 6.30 – 7.30pm – Capertee Memorial Hall

Staff will also be available at the Lithgow, Portland and Wallerawang Libraries. Times and dates here are yet to be determined.

Council's Corporate Strategy and Communications Officer will be available by appointment for interested members of the community wishing to discuss the Draft Operational Plan 2014/15.

POLICY IMPLICATIONS

NIL arising from the report.

FINANCIAL IMPLICATIONS

The financial implications of the combined Delivery Program 2013/14 – 2016/17 and Draft Operational Plan 2014/15 are detailed in the financial plans provided.

LEGAL IMPLICATIONS

The Local Government Act 1993 and Local Government (General) Regulation 2005 outlines requirements for the preparation, exhibition and adoption of the management plans. The Draft Operational Plan must be exhibited for a minimum period of 28 days.

ATTACHMENTS

1. The combined Delivery Program 2013/14 – 2016/17 and Draft Operational Plan 2014/15.
2. Draft Fees and Charges 2014/15.

RECOMMENDATION

THAT:

1. The combined Delivery Program 2013-2017 and Draft Operational Plan 2014-2015 be placed on public exhibition for a minimum of 28 days. This will include the following documents:
 - a. The combined Delivery Program 2013/14 – 2016/17 and Draft Operational Plan 2014/15.
 - b. Draft Fees and Charges 2014/15.
2. The closing date for submissions is Friday 23 May 2014.

COUNCIL COMMITTEE MINUTES

ITEM-13 OPER - 14/04/14 - 25 MARCH 2014 - SPORTS ADVISORY COMMITTEE MEETING MINUTES

REPORT BY: I STEWART - GROUP MANAGER OPERATIONS

REFERENCE

Min No 14-144: Ordinary Meeting of Council held on 24 March 2014

SUMMARY

This report details the Minutes of the Sports Advisory Committee Meeting held on 25th March 2014.

COMMENTARY

At the Sports Advisory Committee held on 25th March 2014, there were numerous items discussed by the Committee including:

- 2014 LJ Hooker Reg Cowden Sports Star of the Year Awards
- Booking Requests
- Reg Cowden Awards Criteria Review

The following items were outside the Committee's delegations and require Council to formally approve the recommendation:

- Financial Assistance Requests
- Participation and Facility Program – Department Of Sport and Recreation
- Lithgow Storm JRLFC – New Members

ATTACHMENTS

1. Minutes from the Sports Advisory Committee meeting of 25th March 2014.

RECOMMENDATION

THAT Council:

1. Note the minutes of the Sports Advisory Committee held on the 25th February 2014.
2. Provide Roxsanne Van-Veen with \$300 toward the cost of participating in the NSW Imparja Cup Cricket Team 2014.

3. Make an application for funding of \$25,000 under the NSW Department of Sport and Recreation's Participation and Facility Program for the upgrade of the tennis court surface at Lidsdale Tennis Courts.
4. Accept Mr John Legge and Mr Steve Brooks as the Sports Advisory Committee representatives from the Lithgow Storm JRLFC.

**ITEM-14 CORP - 14/04/14 - CRIME PREVENTION COMMITTEE MINUTES - 24
MARCH 2014**

REPORT BY: M JOHNSON – MANAGER COMMUNITY AND CULTURE

REFERENCE

Min No 13-67: Ordinary Meeting of Council held on 25 February 2013
Min No 13-134: Ordinary Meeting of Council held on 15 April 2013
Min No 13-188: Ordinary Meeting of Council held on 26 May 2013
Min No 13-306: Ordinary Meeting of Council held on 19 August 2013
Min No 14-65: Ordinary Meeting of Council held on 10 February 2014

SUMMARY

This report details the Minutes of the Crime Prevention Committee Meeting held on 24 March 2014.

COMMENTARY

At the Crime Prevention Committee meeting held on 24 March 2014, a number of items were discussed by the Committee including;

1. CCTV cameras in the CBD.
2. Inspector Sammut of Chifley Command on crime incident data for the period December 2013-February 2014.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Crime Prevention Committee meeting of 24 March 2014

RECOMMENDATION

THAT Council note the minutes of the Crime Prevention Committee held on the 24 March 2014.

ITEM-15 CORP - 14/04/14 - YOUTH COUNCIL MINUTES - 25 MARCH 2014

REPORT BY: M JONES - COMMUNITY DEVELOPMENT OFFICER

REFERENCE

Min No 13-69: Ordinary Meeting of Council held on 25 February 2013
Min No 13-104: Ordinary Meeting of Council held on 18 March 2013
Min No 13-133: Ordinary Meeting of Council held on 15 April 2013
Min No 13-187: Ordinary Meeting of Council held on 27 May 2013
Min No 13-214: Ordinary Meeting of Council held on 17 June 2013
Min No 13-249: Ordinary Meeting of Council held on 8 July 2013
Min No 13-353: Ordinary Meeting of Council held on 30 September 2013
Min No 13-411: Ordinary Meeting of Council held on 25 November 2013
Min No 13-439: Ordinary Meeting of Council held on 16 December 2013
Min No 14-99: Ordinary Meeting of Council held on 3 March 2014

SUMMARY

This report details the minutes of the Youth Council meeting held on 25 March 2014.

COMMENTARY

At the Youth Council meeting held on 25 March 2014 various items were discussed by the committee. Matters of interest include:

- Youth Week events 2014.
- Possible venue for young people.
- Youth Council PCYC Scholarship Program update.
- A nomination to join Youth Council by Rachael Besley.

Council advertised for Expression of Interests to join Youth Council by 31 March 2014. Rachael Besley was the only nomination received.

There are positions for a minimum of six young people on Youth Council, and although these are currently filled, we expect that some of these members will depart the committee in coming months as they have finished school.

POLICY IMPLICATIONS

In accordance with the terms of reference of S355 Committees of Council.

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

Local Government Act NSW 1993

ATTACHMENTS

1. Minutes of the Youth Council meeting 25 March 2014.

RECOMMENDATION

THAT Council:

1. Note the minutes of the Youth Council meeting held 25 March 2014.
2. Appoints Rachael Besley to Youth Council.

ITEM-16 CORP - 14/04/14 - LITHGOW FLASH GIFT COMMITTEE - 24 MARCH 2014

REPORT BY: R PARK – EVENTS COORDINATOR

REFERENCE

Min No 13-139: Ordinary Meeting of Council held on 15 April 2013
Min No 13-329: Ordinary Meeting of Council held on 09 September 2013
Min No 13-438: Ordinary Meeting of Council held on 16 December 2013

SUMMARY

This report details the Minutes of the Lithgow Flash Gift Committee Meeting held on 24 March 2014

COMMENTARY

At the Lithgow Flash Gift Committee held on 24 March 2014, there were numerous items discussed by the Committee;

1. Review of the 2013 Carnival
2. Report from NSW Athletics League

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

NIL

LEGAL IMPLICATIONS

NIL

ATTACHMENTS

1. Minutes from the Lithgow Flash Gift Committee meeting of 24 March 2014

RECOMMENDATION

THAT Council note the minutes of the Lithgow Flash Gift Committee held on the 24 March 2014

NOTICE OF MOTION

ITEM-17 NOTICE OF MOTION - 14/04/14 - THE VILLAGE VOICE COMMUNITY
NEWSPAPER - COUNCILLOR M TICEHURST

REFERENCE

Online link: <http://www.villagevoice.net.au/>

COMMENTARY

Recently, a new local business has started up a community newspaper called The Village Voice. The new newspaper has indicated that it has a run of up to 7,000 copies are provided free of charge and delivered throughout the Greater Lithgow Local Government area. It is also available online.

RECOMMENDATION

THAT the information be noted.

**ITEM-18 NOTICE OF MOTION - 14/04/14 - LITHGOW CITY COUNCIL POLICY
1.4 - TENDERING - COUNCILLOR M TICEHURST**

REFERENCE

Lithgow City Council Policy 1.4 Tendering.
DLG Report on Goulburn Mulwaree Council Tender for a Recreational Complex.

COMMENTARY

- Q.** Could the General Manager and/or Senior Council Officers provide a report to Councillors on updating of Lithgow City Council Policy 1.4 Tendering, in light of the findings of the Division of Local Government Report on the Goulburn Mulwaree Council Tender for a Recreational Complex.

ATTACHMENTS

1. Lithgow City Council Policy 1.4 Tendering.
2. DLG Report on Goulburn Mulwaree Council Tender for a Recreational Complex.

RECOMMENDATION

THAT the General Manager and/or Senior Council Officers provide a report to Councillors on updating of Lithgow City Council Policy 1.4 Tendering, in light of the findings of the Division of Local Government Report on the Goulburn Mulwaree Council Tender for a Recreational Complex.

BUSINESS OF GREAT URGENCY

In accordance with Clause 241 of the Local Government (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only of:

- a) A motion is passed to have the business transacted at the meeting: and*
- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.*

CLOSED REPORT

ITEM-19 **CLOSED COUNCIL - OPER - 14/04/14 - FUEL TENDERS THROUGH CENTROC**

REPORT BY: I STEWART – GROUP MANAGER OPERATIONS

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (d) commercial information of a confidential nature that would if disclosed:
 - (i) prejudice the commercial position of the person who supplied it

SUMMARY

This report provides advice on progressing a regional contract for the supply and delivery of fuel to Council.

The report recommends Council:

- endorse the panel of providers of fuel which is made up of Reliance Petroleum, Park Pty Ltd, Dib Group Pty Ltd and Oilsplus Pty Ltd
- advise Centroc of its decision

The tender is being treated as confidential due to it being managed by another organised and reported confidentially by other councils.

RECOMMENDATION

THAT Council consider the Fuel Tenders for Centroc Report in Closed Council pursuant to Section 10A(2)(d)(i) of the Local Government Act 1993.